

TITLE 570 INDIANA COMMISSION ON PROPRIETARY EDUCATION

NOTE: Originally adopted by the Indiana Commission for Postsecondary Proprietary Education. Name changed by P.L.218-1987, SECTION 2, effective July 1, 1987.

ARTICLE 1. GENERAL PROVISIONS

Rule 1. Definitions

570 IAC 1-1-1 Definitions

Authority: IC 20-1-19-4

Affected: IC 20-1-19-1

Sec. 1. As used in the rules and regulations prescribed by the Indiana Commission for Postsecondary Proprietary Education, pursuant to Public Law 313 [IC 20-1-19], (Acts of 1971) as amended unless the context otherwise requires:

(1) (a) COMMISSION. The term "Commission" refers to the seven members, authorized by Public Law 313 [IC 20-1-19] (Acts of 1971). All action taken by the administrative staff affecting the original appointment, reappointment, suspension, revocation or denial of accreditation is done at the direction of and with the approval of the seven members under authority granted them by Public Law 313 [IC 20-1-19] (Acts of 1971).

(2) POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTION. The term means any person doing business in the State by offering to the public, for a tuition, fee or charge, instructional or educational services or training in any technical, professional, mechanical, business or industrial occupation, either in the recipient's home, or at a designated location, or by mail.

The following shall not be considered to be postsecondary educational institutions subject to the provisions of this chapter [570 IAC 1]:

(1) Any educational institution established by law and financed in whole or part by public funds: or

(2) Any postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency or commission; or

(3) Any elementary or secondary school attended by students in kindergarten and/or grades 1 through 12, supported in whole or in part by private tuition payments, such elementary and secondary schools being expressly excluded from this chapter.

(4) Any educational institution or educational training that is:

(i) maintained or given by an employer or group of employers, without charge, for his or their employees or for persons they anticipate employing; or

(ii) maintained or given by a labor organization, without charge, for its or their members or apprentices; or

(iii) offers exclusively instruction which is clearly self-improvement, motivational or avocational in intent (including, but not limited to instruction in dance, music, self defense, private tutoring); or

(iv) montessori or nursery schools; or

(5) Any privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located within Indiana.

(3) AGENT. The term "agent" means any person who enrolls or seeks to enroll a resident of this state through personal contact, telephone, advertisement, letter, or publications in a course offered by a postsecondary proprietary educational institution or who otherwise holds himself out to the residents of this state as representing a Postsecondary Proprietary Educational Institution.

(4) TEAM. The term "team" refers to the combined membership of the evaluators who will do the on-site evaluation of the institution prior to the issuance of accreditation. These members are chosen on the basis of their expertise in the field to be examined. In addition, one or more members of the Commission or its staff will be assigned to accompany the team in the capacity of a technical observer.

(5) ACCREDITATION. The term "accreditation" refers to the certificate or written document issued by the Commission attesting to the school's compliance with the minimal standards as prescribed by the law and the procedures required by the rules and regulations.

(6) SOLICITATION. The term "solicitation" refers to the attempt to recruit students by any means whatsoever, including, but not limited to all forms of advertisement, and personal petition.

(7) BEGINNING OF TRAINING. The term “beginning of training” means the beginning of actual training when the student receives his first course materials by mail or when the student matriculates.

(8) IC. The abbreviation “IC” stands for Indiana Code which is used as legal cite reference for the law establishing the Commission.

(9) PL. The abbreviation “PL” stands for the term “Public Law” used as legal cite for all laws established by the Indiana General Assembly.

(10) PRO RATA. With reference to resident training “pro rata” means a refund policy computed; on either the number of lessons completed or begun or the number of weeks completed or begun; the number of courses completed or begun; the number of quarters or semesters completed or begun; and with reference to correspondence training it means a refund based on lesson assignments received by the institution from the student.

(11) THE PRONOUN “HE”. When used in these rules and regulations shall stand for both male and female gender.

(12) BOND. The term “bond” stands for a surety bond made payable to the State of Indiana, for either the institution or agent and shall be conditioned to provide indemnification to any student suffering loss as a result of fraud or misrepresentation on the part of the institution or agent or when the institution ceases to do business and is unable to fulfill its contractual obligation with the student. Indemnification shall be made according to procedures adopted by the Commission.

(13) EVALUATION. The term “evaluation” refers to a complete on-site visitation of the petitioning institution to determine the ability of the institution to actually provide training.

(14) COMMISSIONER. The term “Commissioner” is the title of the Chief Executive Officer of the Commission. He is not a voting member of the seven member Commission established by law, but is charged with carrying out the over-all administration of the day to day duties of the agency; hiring and firing of subordinate professional staff; and discharge the orders and directions of the seven member Commission.

(15) CONTRACT. The term “contract” as used in these rules and regulations means any agreement, or obligation expressed or otherwise, negotiable or non-negotiable by which the institution agrees to provide educational services or training to the student or prospective enrollee and the student or prospective enrollee in turn promises to pay a mutually agreed upon fee, charge or tuition. Any obligation, negotiable or non-negotiable, providing for payment for a course or courses of instruction shall be void if the postsecondary proprietary educational institution is not accredited to operate in the State of Indiana.

(16) ENROLLMENT. The term “enrollment” means that point at which the registration fee of not more than \$100.00 has been paid.

(17) REGISTRATION FEE. Registration fee or any other term means that charge, levied before the beginning of training for administrative expenses incurred by the school when providing educational training or service to one student. The registration fee will not be more than \$100.00.

(18) PROFESSIONAL SUBJECTS. The term “professional subjects” shall mean those subjects directly leading to the students preparation in the trade, technical, business, or mechanical career for which he has enrolled and for which a diploma, certificate or degree will be awarded.

(19) PERSON. “Person” means any individual, partnership, association, corporation, joint venture, trust, receiver or trustee in bankruptcy.

(Indiana Commission on Proprietary Education; PT I; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 174; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

Rule 2. Institutions Not Subject to The Provisions; Reciprocity; National Accreditation

570 IAC 1-2-1 Exempt institutions

Authority: IC 20-1-19-4

Affected: IC 20-1-19-1

Sec. 1. INSTITUTIONS NOT SUBJECT TO THE PROVISION. An institution may be considered not subject to the provisions if it offers instruction which is clearly self-improvement, motivational or avocational in intent and is clearly not of value in seeking or obtaining gainful employment. *(Indiana Commission on Proprietary Education; PT II,2.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 176; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-2-2 Reciprocal accreditation

Authority: IC 20-1-19-4
Affected: IC 20-1-19-11

Sec. 2. RECIPROCITY. The Commission may extend accreditation to an institution located in another state, in lieu of an on-site evaluation, if the requirements of that state are substantially the same or greater than the standards contained in P.L.313 [IC 20-1-19] (Acts of 1971) as amended, and that that state, in turn, will extend reciprocity to institutions accredited by the Commission. (*Indiana Commission on Proprietary Education; PT II,2.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-2-3 Nationally accredited agencies

Authority: IC 20-1-19-4
Affected: IC 20-1-19

Sec. 3. NATIONALLY RECOGNIZED ACCREDITING AGENCIES. The Commission shall determine whether to accept as sufficient the accreditation issued by a nationally re-organized accrediting body. If the review indicates that the standards are substantially the same or greater than the standards and requirements of the Commission, then accredited status may be issued in lieu of an on-site evaluation, providing the status report provided by the accrediting commission indicates the institution to be in good standing. (*Indiana Commission on Proprietary Education; PT II,2.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-2-4 Documentation by reciprocal or prior accreditation applicants

Authority: IC 20-1-19-4
Affected: IC 20-1-19-6; IC 20-1-19-8

Sec. 4. OTHER REQUIREMENTS IN LIEU OF EVALUATION. The applicant institution which seeks the right to do business in Indiana, either through reciprocity or by prior accreditation issued by a nationally recognized accrediting body, must submit the following:

- (A) Application fee.
- (B) Bonds for both the institution (Bond S) and agents (Bond A or PSA-LBB).
- (C) ICPPE Form PSA-1; Application/Self Study in four copies.
- (D) Financial Statement (See Rule 12.00 [570 IAC 1-12].)
- (E) A copy of the incorporation papers as filed with the state of domicile.

(*Indiana Commission on Proprietary Education; PT II,2.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-2-5 Reevaluation of reciprocal or prior accreditation status

Authority: IC 20-1-19-4
Affected: IC 20-1-19-11

Sec. 5. RE-EVALUATION OF INSTITUTIONS UNDER PART II [570 IAC 1-2]. The fifth (5th) year after the institution has received its accredited status, either by reciprocity or prior accreditation status, the school may be required to undergo a full on-site evaluation as per Section 4 [570 IAC 1-2-4] of these Rules and Regulations. (*Indiana Commission on Proprietary Education; PT II,2.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 3. Procedures; Definitions; Authorizations for Accreditation

570 IAC 1-3-1 Accreditation phases and statuses

Authority: IC 20-1-19-4
Affected: IC 20-1-19

Sec. 1. ACCREDITATION PHASES. An institution which desires to do business in Indiana will send a letter requesting accreditation and send it to the Commission.

(A) Phase One - Applicant Status

(1) The Commission will send all applicable materials to the institution including the fee schedule and directions for meeting the requirements.

(2) Upon approval of the appropriate materials and an application fee, the Commission will place the petitioning institution on "Applicant Status." This status is for a period of not less than sixty (60) days nor more than eleven (11) months. During this period the Commission shall establish the date of the evaluation.

(3) During the applicant status (not less than sixty (60) days nor more than eleven (11) months), the institution will prepare for its on-site evaluation. During this period the petitioning institution may not use the terms "license," "licensed by," "approved," "applicant," or "accredited," nor may it use the seal of the Commission. Any applicant school which has, at the time of application, an accredited status with a nationally recognized accrediting body approved by the U.S. Office of Education or who has approval from the Veterans Administration for veterans educational benefits, may use the authorized terms to reflect such status, as approved by the appropriate accrediting body or the Veterans Administration.

(4) If in the event, it is determined that the institution is found to be totally unfit to qualify for any status set out in Rule 3.01 [this section], Part II of these regulations, said institution shall be notified by certified mail of the denial of the right to do business within the State of Indiana and the penalty provisions of this act [IC 20-1-19].

(B) Phase Two - Candidate Status

(1) If, after review of the forms and materials submitted by the petitioning institution and the formal team evaluation, the petitioning institution is found to still have certain deficiencies, that in the opinion of the Commission can be corrected, and would not be cause for denial of the right to do business, then the petitioning institution may be awarded "Candidate Status."

(2) This candidate status may be awarded for any period of time, from sixty (60) days to twelve (12) months, or in special cases approved by the Commission, in formal session, for a period not to exceed twenty-four (24) months.

(3) During the period of candidate status, the institution may not use such terms as "Licensed," "approved," "accredited," "candidate," nor may it use the seal of the Commission. Any candidate institution which has, at the time of application, an accredited status with a nationally recognized accrediting body approved by the U.S. Office of Education or who has approval from the Veterans Administration for veterans educational benefits, may use the authorized terms to reflect such status, as approved by the appropriate accrediting body or the Veterans Administration.

(4) The candidate institution will furnish, during the established period of candidate status, progress reports commencing the thirty-first (31st) days after the status notification and each thirty (30) days thereafter until the re-evaluation has been completed.

(C) Phase Three - Accreditation With Recommendations

(1) If, after review of the forms and materials submitted by the petitioning institution and the formal team evaluation, the petitioning institution is found to still possess certain deficiencies that are not so serious as to cause either denial of accreditation or candidate status, but such recommendations are needed to increase efficiency, then the institution may be awarded "Accreditation With Recommendations," and in such case the recommendations must be complied with within the time granted in each individual case, not to exceed one year.

(D) Phase Four - Fully Accredited Status

(1) If, after a review of the forms, materials, and an on-site evaluation performed by a duly authorized Team, and the institution has corrected all deficiencies noted during its "applicant," "candidate," or "accreditation with recommendations," status, then it shall be granted "Fully Accredited Status."

(2) This status is good for a period of one year from issuance of the letter of notification.

(3) An institution which has been awarded fully accredited status may use one of the following statements in all advertising, and it may be imprinted on stationery of the institution:

(a) "An ICPPE Accredited Institution."

(b) "Accredited in Indiana by the ICPPE."

(c) "Fully Accredited by the Indiana Commission for Postsecondary Proprietary Education."

(4) No other terms, statements, or expressions are hereby authorized for use by any institution other than those expressly

noted in these regulations.

(5) All schools will show their advertising code on television commercials, and newspaper advertisements, and only on radio commercial script sheets.

(6) In the event the Commission finds the submitted information insufficient, it may require completion of Form FR-1 (7/77).

(Indiana Commission on Proprietary Education; PT III,3.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-3-2 Certificate of accreditation; form; seal

Authority: IC 20-1-19-4

Affected: IC 20-1-19-4

Sec. 2. ACCREDITATION USE OF APPROVED TERMS. When a school has been awarded accredited with recommendations for fully accredited status it may use the official seal as part of its advertising or communications.

(A) CERTIFICATE OF ACCREDITATION. The Commission will notify the petitioning institution that it has been awarded accredited status, and upon receipt of the required fee, will send the Certificate of Accreditation (Form AC 7/77), which will be displayed in a prominent position by the institution.

(B) FORM AC (7/77). The Certificate of Accreditation, the facsimile seal (wall plaque) and any commercial production of the seal remain the property of the Commission, and its use may be revoked or denied upon cause, at the request of the Commission.

(Indiana Commission on Proprietary Education; PT III,3.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 179; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-3-3 Renewal of accreditation; on-site evaluation

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 3. RENEWAL OF ACCREDITATION. Renewal of fully accredited status will be accomplished in the following manner:

(A) Submit the renewal fee.

(B) Submit PSA-1R in one (1) copy on or before the expiration date of accredited status. The form shall contain, but is not limited to the following information:

(1) Names of courses and descriptions of courses and cost of each course.

(2) Total clock hours, semester hours, or quarter hours of each course.

(3) Number of students enrolled in each course during the period of accreditation.

(4) Current number of students enrolled in each course.

(5) Number of students who dropped out for any cause during the period of accreditation.

(6) Number of graduates by course.

(7) Number of graduates placed.

(8) Number of graduates who took the course for personal advancement in the form of educational objectives or occupational objectives.

(C) A current copy of the institution's incorporation papers as filed with the state of domicile.

(D) Submit a copy of the last annual financial statement certified as true and correct by the preparer; or

(1) If the institution is part of a consolidated group, a statement from the financial office of the parent company stating that company assets will be used to support and insure the financial stability of the institution or

(2) If started by an individual or group of individuals, they shall furnish a statement of personal worth sufficient to support and insure financial stability of the institution; or

(3) Completion of Form FR-1 (7/77).

(4) In the event the Commission finds the submitted information insufficient, it may require completion of ICPPE Form FR-1 (7/77).

(5) An institution, in circumstances where deemed necessary, shall submit financial statements certified as true and

correct by an independent accountant.

(E) The fifth (5th) year after the initial award of fully accredited status, the institution will undergo a complete on-site evaluation performed in the same manner as the initial evaluation.

(Indiana Commission on Proprietary Education; PT III,3.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 179; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-3-4 Right of entry

Authority: IC 20-1-19-4

Affected: IC 20-1-19-9

Sec. 4. RIGHT OF ENTRY. Any member of the Commission or its agents or assistants shall have authority to enter upon and to inspect any institution, as defined in this act [570 IAC 1] at any time during business hours. *(Indiana Commission on Proprietary Education; PT III,3.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 180; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-3-5 Revocation or suspension

Authority: IC 20-1-19-4

Affected: IC 20-1-19-12; IC 20-1-19-14

Sec. 5. REVOCATION/SUSPENSION. Accreditation may be revoked or suspended if an institution is not in continual compliance with the Rules and Regulations during the five year accreditation period. *(Indiana Commission on Proprietary Education; PT III,3.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 180; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

Rule 4. Uniform Procedures for Request of Accreditation; Establishment of Evaluation Team

570 IAC 1-4-1 Initial accreditation; request; notice of status

Authority: IC 20-1-19-4

Affected: IC 20-1-19

Sec. 1. INITIAL ACCREDITATION BY THE PRIVATE INSTITUTION. The initial accreditation process will be initiated as follows:

(A) A letter requesting accreditation will be sent to the Commission. The Commission upon receipt of the request, will send the institution the following documents:

AAS-1	Bond S
P.L.159	Bond A
Rules and Regulations	Bond PSA-1BB
Standards	AA-1
Fee Schedule	AA-1AB
ATV-1	PSA-1
	FR-1

(B) Upon receipt of these materials the petitioning institution should proceed as follows:

(1) Obtain their institutional bond on ICPPE Form Bond S pursuant to Public Law 159, (Acts of 1972). The institutional bond shall be made payable to the State of Indiana and in the amount of \$5,000.00 or 10% of the preceding year's gross tuition, whichever is larger, but in no case to exceed \$25,000.00.

(2) Obtain bonds for each agent on ICPPE Form Bond A or PSA-1BB for each agent who is to be doing business in Indiana, pursuant to P.L.313, Section 16 [IC 20-1-19-16], payable to the State of Indiana in the amount of \$5,000.00 per agent. Forms AA-1, AA-1AB, ATV-1 should be prepared and attached to the agent bonds.

(3) Make a check payable to the Commission for Postsecondary Proprietary Education to cover the institution's

application fee and the agent(s) application fee.

(4) Submit copies of current contracts, tuition fees, course descriptions, and a copy of the institution's incorporation papers as filed with the state of domicile.

(5) Submit a copy of the last annual financial statement certified as true and correct by the preparer; or

(a) If the institution is part of a consolidated group, a statement from the financial office of the parent company stating that company assets will be used to support and insure the financial stability of the institution; or

(b) If started by an individual or group of individuals, they shall furnish a statement of personal worth sufficient to support and insure financial stability of the institution; or

(c) Completion of ICPPE Form FR-1 (7/77).

(d) In the event the Commission finds the submitted information insufficient, it may require completion of ICPPE Form FR-1 (7/77).

(6) Complete form AAS-1.

(C) Upon official notification of applicant status, the institution will have not less than sixty (60) days nor more than eleven (11) months to prepare the PSA-1 Application Self-Study.

(D) Failure to supply required ICPPE Forms and information will result in suspension.

(Indiana Commission on Proprietary Education; PT IV,4.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 181; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-4-2 Team designation; on-site evaluation

Authority: IC 20-1-19-4

Affected: IC 20-1-19-9.5

Sec. 2. TEAM DESIGNATION. After the institution has been on applicant status for a period of not less than sixty (60) days nor more than eleven (11) months the Commission will then begin procedures to choose a team to perform the on site evaluation.

(A) The Commission will designate, from the ranks of business, industry or education, team members who by virtue of their expertise and job classification, qualify to evaluate petitioning institutions under the authority of P.L.313 [IC 20-1-19] (Acts of 1971), as amended. Upon acceptance of their desire to serve as team members shall be furnished copies of the following documents:

- ICPPE Form TVS-1 (7/77) CLTE (7/77)
- TMV (7/77) VTEC (7/77)
- TV-2 (7/77) VTA (7/77)
- TM-3 (7/77) V-1 (or VO2) (7/77)

(B) The Commissioner may designate one member of the team to serve as Team Chairman. Upon acceptance of that assignment by the chairman-designate, he shall be supplied the following documents:

- ICPPE Form TVS-1 (7/77) V-1 (or V-2) (7/77)
- TM-1-CH (7/77) CLTE (7/77)
- TMV (7/77) VTEC (7/77)
- TV-2 (7/77) VTA (7/77)

(C) The Commission shall notify [*sic.*] the institution in advance of the institutional evaluation.

(D) The Commission shall notify the applicant institution of the scheduled on-site evaluation and the names of the team members. The school upon notification of the team members has the right to refuse any member. The applicant institution shall be supplied the following documents before the scheduled visitation:

- (1) ICPPE Form TVS-1 (7/77)
- (2) TV-2 (7/77)
- (3) VTA (7/77)

(E) Upon completion of the on-site evaluation, the team members will submit their individual evaluation reports to the team chairman within seven (7) days. The team chairman will prepare a combined report and along with a letter of transmittal, submit the team evaluation to the Commission no later than fifteen (15) days after the on-site evaluation. Upon submission of their individual report, the team members will return to the Commission all evaluation materials provided them.

(F) All team members will pay their own expenses and file claims for reimbursement in accordance with state regulations. The Commission in turn will compile the expenses of the team evaluation and bill the applicant institution for the cost of the evaluation.

(G) No private institution shall be notified of the results of its inspection until all applicable fees and charges have been remitted to the Indiana Commission for Postsecondary Proprietary Education. Payment must be made by certified check payable to the Commission.

(H) Upon receipt of the team evaluation, the Commission shall take action appropriate to the evaluation, pursuant to P.L.313 [IC 20-1-19] (Acts of 1971) as amended. The Commission shall then notify the applicant institution of its decision and notify the institution of its status (reference Rule 3.01) [570 IAC 1-3-1].

(Indiana Commission on Proprietary Education; PT IV,4.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 181; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-4-3 Evaluation notification; expenses

Authority: IC 20-1-19-4

Affected: IC 20-1-19-9; IC 20-1-19-11

Sec. 3. EVALUATION NOTIFICATION. Prior to the team evaluation, notice will be given to the applicant institution, as to the exact date of the evaluation.

(A) Within thirty (30) days of the scheduled evaluation, the applicant institution will submit its completed PSA-1 Application/Self-Study in the amount of four (4) copies.

(B) The private institution will pay for the formal team evaluation as per HEA 1220 (Acts of 1973) Section 2 [IC 20-1-19-11]: Inspection Fee: The cost of performing the team on-site evaluation shall be borne by the applicant institution: Provided, however, that the total cost of any evaluation including room, board, and mileage which does not necessitate travel outside the State of Indiana, shall not exceed five hundred dollars (\$500.00) for any one institution.

(C) In State Evaluations

(1) The institutions shall pay a fee to each team member in the amount of \$75.00 per day, for each day of evaluation. Any part of a regular working day (8:00 AM - 5:00 PM) shall be considered to be a full working day for purposes of paying the \$75.00 fee.

(2) Any staff member of the Indiana Commission for Postsecondary Proprietary Education who is a member of the evaluation team shall not receive the \$75.00 fee but shall only have actual expenses paid by the private institution.

(3) The institution shall pay the current official state travel mileage institution reimbursement for the travel to and from the point of the inspection and any parking fees. The mileage shall be taken from the odometer reading of the team member's car and shown on ICPPE Form V-1 (7/77). Where time and distance make it necessary for a team member to join the evaluation team, air travel may be utilized. Such receipt to be attached to ICPPE Form V-1 (7/77).

(4) The institution shall pay for the board and room of the team member for the time spent on the institution evaluation. The costs of the room and board shall be listed in ICPPE Form V-1 (7/77) and the appropriate receipts must be attached to the form.

(5) Upon completion of the team evaluation, each team member shall prepare ICPPE V-1 (7/77) attaching all receipts and submit one (1) copy to the Indiana Commission for Postsecondary Proprietary Education and the duplicate to the "private institution".

(6) No in-state evaluation team member will be supplied from another state, except when required to provide the expertise needed to supply a proper team for the applicants evaluation. All team members for in-state evaluations will be drawn from various business, industrial or educational facilities located within the State of Indiana, except as noted in the preceding sentence.

(7) No "institution" shall be notified of the results of its evaluation results until all applicable fees and charges have been remitted to the Indiana Commission for Postsecondary Proprietary Education.

(D) Out-of-State Evaluations

(1) The "private institution" located outside the State of Indiana who has been placed on applicant status and has requested the full team evaluation in order to continue to do business within the State of Indiana, shall pay the expenses of each team member as shown below:

- (a) \$75.00 per day fee.
- (b) Mileage from home to airport and return at the current official state travel mileage reimbursement, parking fees, airfare to and from the evaluation site.
- (c) Room charges or board charges.
- (d) The "private institution" shall provide transportation to and from the airport, the site of lodging and the evaluation site for each team member involved.
- (2) No team member shall fly in or charge the cost of "First Class" airfare, unless no other class is available, but shall be reimbursed for his travel by the most economical manner provided by the Airline and utilized by the team member in reaching his destination.
- (3) Upon completion of the team evaluation, each team member shall prepare ICPPE V-2 (7/77), attaching all receipts and submit one (1) copy to the Indiana Commission for Postsecondary Proprietary Education and the duplicate to the "private institution".
- (4) No "institution" shall be notified of the results of its evaluation results until all applicable fees and charges have been remitted to the Indiana Commission for Postsecondary Proprietary Education.
- (5) Where feasible, members of the evaluation team for an out-of-state applicant institution shall be recruited from the business, industrial, or educational facilities of that state.
- (6) Any staff member of the Indiana Commission for Postsecondary Proprietary Education who is a member of the evaluation team shall not receive the \$75.00 fee but shall only have actual expenses paid by the "institution."

(E) In the case of the applicant institution being located outside the State of Indiana, the same procedures will apply as heretofore detailed except that only two members of the actual team will be sent from Indiana. The remaining team members shall be chosen from the state where the applicant institution is located. The appointment of team members may be jointly achieved by this agency and the applicable agency in the state of domicile.

(Indiana Commission on Proprietary Education; PT IV, 4.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 182; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-4-4 Reevaluation

Authority: IC 20-1-19-4

Affected: IC 4-21.5; IC 20-1-19

Sec. 4. EVALUATION TEAM - CANDIDATE INSTITUTION. In the case of a re-evaluation for a candidate institution, the following procedures will be adhered to:

(A) The candidate institution shall submit a revised, updated ICPPE Form PSA-1 Application/Self-Study reflecting all changes since the first team evaluation. The PSA-1 shall be submitted to the Commission in four (4) copies no later than thirty (30) days prior to the scheduled visitation.

(B) The selection of the team and the notification of the team members and the candidate institution as to the time, place, and responsibilities shall be in the same manner and procedure as defined in Rule 4.03(A), (C), (D), and (E) [570 IAC 1-4-3(A), (C), (D), and (E)].

(C) If a candidate institution does not successfully pass its on-site re-evaluation, then it shall be denied the right to do business in the state and shall be notified as to the required procedures to seek relief under the Administrative Adjudication Act (IC 1971, 4-22-1 [Repealed by P.L.18-1986, SECTION 2. See IC 4-21.5.]), and Rule 7.01 [570 IAC 1-7-1] of these rules and regulations.

(D) A "candidate institution" who successfully passes its re-evaluation shall be notified in accordance with the established procedures in PART III [570 IAC 1-3] of these rules and regulations.

(Indiana Commission on Proprietary Education; PT IV, 4.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 184; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

Rule 5. Uniform Procedures for Agent Certification

570 IAC 1-5-1 Permit required

Authority: IC 20-1-19-4
Affected: IC 20-1-19-16

Sec. 1. INSTITUTIONAL AGENT MANDATE. No person representing any postsecondary proprietary educational institution doing business in Indiana or domiciled in Indiana seeking to solicit students may do so unless he first secures an agent's permit. The procedure for obtaining the agent's permit shall be initiated by the hiring or the employing institution. (*Indiana Commission on Proprietary Education; PT V,5.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-5-2 Chief administrative officer as agent; permit exemption

Authority: IC 20-1-19-4
Affected: IC 20-1-19-16

Sec. 2. EXEMPTION TO AGENT PERMIT REQUIREMENT. The designated chief administrative officer of the institution will not be required to follow the procedures for obtaining an agent's permit or bond. Upon request, he shall receive, automatically, an agent's permit. Only one such permit will be issued, and only to the designated chief administrative officer. (*Indiana Commission on Proprietary Education; PT V,5.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-5-3 Application procedure; temporary permit

Authority: IC 20-1-19-4
Affected: IC 20-1-19-16; IC 20-1-19-17

Sec. 3. AGENT CERTIFICATION INITIATION BY POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTION. In order to obtain the agent's certification, the employing institution will request the Commission to send Forms AA-1, AA-1AB, Bond A, Bond PSA-1BB and ATV-1. Upon receipt of the forms the employing institution will complete them, and return them with the agent application fee to the Commission marked as follows: Attention: Staff Specialist for Licensing Procedures: Contains Agent Application Forms.

(A) If the Commission is unable to grant or deny the request for agent certification within fifteen (15) days after the receipt of the agent's application and bonding forms, the Commission will send Form TP-1 (Agent Temporary Permit) to the applicant. Form TP-1 shall be valid for a period of time not to exceed sixty (60) days.

(B) When the Commission has received the agent's certification forms, it shall, upon proper review and determination, issue Form AID (Agent's Identification Card) to the applicant. Form AID will be valid for one year and will be renewed upon submission of the renewal fee and AA-1, unless a violation or violations of P.L.313 [IC 20-1-19] has been reported and verified.

(C) Any person who has a previous felony conviction may be refused an agent permit card.

(*Indiana Commission on Proprietary Education; PT V,5.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-5-4 Training verification

Authority: IC 20-1-19-4
Affected: IC 20-1-19-16; IC 20-1-19-17; IC 24-4.5

Sec. 4. AGENT TRAINING VERIFICATION. In order for an agent to be granted licensure, the petitioning institution, for which he may work, must submit Form ATV-1 (Agent's Training Verification). The form will indicate that the agent has been thoroughly trained and understands P.L.313 [IC 20-1-19] (Acts of 1971), as amended, the Rules and Regulations of the Commission, as well as the applicable sections of the Uniform Consumer Credit Code [IC 24-4.5] and his appeal procedures in case his license is suspended. (*Indiana Commission on Proprietary Education; PT V,5.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-5-5 Revocation of license

Authority: IC 20-1-19-4

Affected: IC 20-1-19-16; IC 20-1-19-17

Sec. 5. AGENT LICENSURE REVOCATION. The licensure of an agent may be revoked for one or more of the following reasons:

- (A) Failure to properly prepare Form AA-1, after the agent's card has been issued.
- (B) Violation of the Rules and Regulations pertaining to the solicitation of potential students.
- (C) Violation of the Rules and Regulations pertaining to the placement or advertising for students.
- (D) Utilizing unlicensed agents, as partners in either the solicitation or advertisement for potential students.
- (E) Upon cancellation by the institution or bonding company of the agent's bond.

(Indiana Commission on Proprietary Education; PT V,5.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-5-6 Termination of agent

Authority: IC 20-1-19-4

Affected: IC 20-1-19-16; IC 20-1-19-17

Sec. 6. AGENT TERMINATION. When an active agent has been terminated either by the institution or the Commission for Postsecondary Proprietary Education the institution shall return the Form AID immediately to the Commission along with a statement as to the actual date of termination. If, for any reasons, the Form AID has been lost, the institution shall send a notarized statement immediately so stating that the terminated agent's card has been lost and cannot be returned. *(Indiana Commission on Proprietary Education; PT V,5.06; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-5-7 Lost or stolen identification card; penalties for misuse

Authority: IC 20-1-19-4

Affected: IC 20-1-19-16; IC 20-1-19-17

Sec. 7. LOST OR STOLEN FORM AID. If an authorized agent has lost his Form AID, or if his card has been stolen or otherwise unaccounted for, the institution will immediately notify the Commission by the most expedient means. Misuse of Form AID may result in a fine of \$1,000.00 or six months imprisonment, or both such fine and imprisonment. *(Indiana Commission on Proprietary Education; PT V,5.07; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

Rule 6. Yearly Renewal of Surety Bonds; Procedure for Claim Against Surety Bonds

570 IAC 1-6-1 Annual renewal of bond

Authority: IC 20-1-19-4

Affected: IC 20-1-19-8

Sec. 1. YEARLY RENEWAL OF SURETY BONDS. Each year, every postsecondary proprietary educational institution must submit a new institutional bond on or before the expiration date of the bond. The amount of liability will be determined by utilizing the formula of P.L. 159 [IC 20-1-19-8] (Acts of 1972). Continuation certificates will not be acceptable. Notification must be received no later than five (5) working days after the expiration date of the institutional bond. Failure to notify the Commission of the new institutional bond within five (5) working days, will result in suspension of the institution's right to do business within the state.

- (A) Agent bonds will be continued by certificate and must be submitted each year, on or before the expiration date of the bonds. Failure to submit a continuation certificate will result in the revocation of the institution's agent permit cards.

(Indiana Commission on Proprietary Education; PT VI,6.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-6-2 Approved list of surety companies

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8

Sec. 2. APPROVAL LIST FOR SURETY. The Commission will not accept bonds from surety companies which are not approved by the Indiana State Department of Insurance. Each petitioning institution must verify sureties status with this department prior to obtaining their bonds. (*Indiana Commission on Proprietary Education; PT VI,6.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-6-3 Complaint by student; notice of claim

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8; IC 20-1-19-20.5

Sec. 3. PROCEDURES FOR CLAIM AGAINST SURETY - INSTITUTION/AGENT. If a student is not supplied with the agreed upon course of instruction either by reason of failure to keep and maintain the institution in an operating condition, furnishing the course of instruction, or by reason of failure to supply and make available the equipment or facilities necessary to any such course of instruction, the student or his legally authorized representative may request the Commission to file a claim against the institution for reimbursement of a portion or all tuition or other payments made by the student to the institution. Any claim submitted to the Commission must contain:

- (A) A statement of the facts supporting the claim or outlining the problem experienced.
- (B) A copy of the contract signed by the student.
- (C) Copies of receipts for cash paid, cancelled checks or money orders.
- (D) Any other material which substantiates the claim. Upon submission of such claim, the Commission shall attempt to adjust such claim on an informal basis to the satisfaction of all parties. If the Commission is unable to adjust the claim to the satisfaction of all parties using informal procedures, thereupon both the institution and the surety on the bond shall be given not less than twenty (20) days notice and shall be permitted to appear and defend at a formal hearing set on the claim.

(*Indiana Commission on Proprietary Education; PT VI,6.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-6-4 Payment of claim; procedures against surety

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8; IC 20-1-19-20.5

Sec. 4. PROCEDURES FOR CLAIM AGAINST SURETY - INSTITUTION/AGENT. If as the result of such formal hearing, the Commission determines that any portion or all of the claim of the student is valid and should be allowed, and such claim is not paid or satisfied by the institution within a reasonable time, which shall not be less than ten (10) days, then the surety on the institution's bond or agent's bond shall be billed for the amount of such claim. (*Indiana Commission on Proprietary Education; PT VI,6.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 187; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-6-5 Appeals

Authority: IC 20-1-19-4
Affected: IC 4-21.5; IC 20-1-19-22

Sec. 5. PROCEDURES FOR CLAIM AGAINST SURETY. If, after such formal hearing and adjudication of such claim by the Commission, any party to the proceedings desires to appeal therefrom, such appeal shall be prosecuted under the provisions of the Indiana Administrative Adjudication Act (IC 1971-4-22-1 [*Repealed by P.L.18-1986, SECTION 2. See IC 4-21.5.*]). Proceedings before the Commission, where not otherwise described by these rules, shall be conducted or authorized in the Indiana Administrative Adjudication Act (IC 1971-4-22-1 [*Repealed by P.L.18-1986, SECTION 2. See IC 4-21.5.*]). (*Indiana Commission on Proprietary Education; PT VI,6.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 187; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-6-6 Refunds to students; disbursement; records

Authority: IC 20-1-19-4

Affected: IC 20-1-19-20.5

Sec. 6. PROCEDURE USED FOR DISBURSING REFUNDS TO STUDENTS VIA PAYMENT ON INSTITUTIONAL OR AGENT BOND FROM SURETY. (A) The Commission immediately upon notice that bond claim is to be made, obtains a total list of students enrolled during the term of said bond.

(B) Each student claim on the bond is investigated and verified according to copies of cancelled checks, money orders or receipts for cash as to the total amount of money paid to the institution by the student.

(C) The amount of refund to each student is determined according to the total amount of the bond being claimed. When the amount of bond is not sufficient to pay a total refund to each student, the amount to each student is computed on a percentage on the dollar amount of the total paid by each student.

(D) Upon receipt of the total amount of claim from surety, the check will be deposited in the State Treasury in an Auditor's miscellaneous clearing account for such purposes.

(E) The State Auditor will process each student's claim according to the claim voucher/voucher abstract procedure.

(F) When checks have been prepared for each student, by the Auditor of State, the checks will be forwarded to the Commission for Postsecondary Proprietary Education to be disbursed to each student.

(G) Upon receipt of the checks from the Auditor of State, the amount of each check will be verified as to its correct amount.

(H) The Commission will notify each student that his refund check is prepared. The student will be required to sign a receipt which stated that he has received such refund.

(I) The signed receipt, claim voucher/voucher abstract, and all materials verifying the amount of the refund, become a permanent part of that institution's file and part of the Commission for Postsecondary Proprietary Education's permanent bookkeeping records. (*Indiana Commission on Proprietary Education; PT VI,6.06; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 187; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 7. Procedure Before The Commission; Hearings

570 IAC 1-7-1 Accreditation; hearing upon refusal, revocation or suspension

Authority: IC 20-1-19-4

Affected: IC 4-21.5; IC 20-1-19-13

Sec. 1. ADMINISTRATIVE ADJUDICATION ACT: INSTITUTIONS. In the event that a school fails to fulfill the requirements of P.L.313 [*IC 20-1-19*] (Acts of 1971) as amended, and the Commission must therefore take punitive action the institution has the right to a hearing pursuant to IC 1971, 4-22-1 [*Repealed by P.L.18-1986, SECTION 2. See IC 4-21.5.*]. This is the Administrative Adjudication Act which provides a right to hearing, in compliance with "due process of law" and ultimately to judicial review if this becomes necessary to resolve the issue.

(A) If an institution has its accreditation refused, revoked, or suspended, it may request a hearing. This request must be filed no later than thirty (30) days after formal receipt by the institution of notice from the Commission that such action is proposed to be taken. (P.L.313, Section 13 [*IC 20-1-19-13*], Acts of 1971).

(B) The Commission shall officially stamp the date of receipt of such request and promptly schedule a hearing regarding the proposed action, specifying the time and place for the holding of the hearing. The notice shall be sent to the offices of the institution, their attorney, and the members of the Commission by certified mail.

(C) The Commission shall hear all evidence and examine all relevant documents which the person requesting the hearing may offer, and make written findings of fact, conclusions of law, and enter a decision and/or order within fifteen (15) days of the final termination of the hearing. These findings will be sent to the offices of the school, their attorney, and members of the Commission.

(*Indiana Commission on Proprietary Education; PT VII,7.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 188; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-7-2 Agent's permit; hearing upon refusal, revocation or suspension

Authority: IC 20-1-19-4

Affected: IC 4-21.5; IC 20-1-19-16

Sec. 2. ADMINISTRATIVE ADJUDICATION ACT: AGENT. In the event that an agent fails the requirements of P.L.313 [IC 20-1-19] (Acts of 1971) as amended, and the Commission must therefore take punitive action the agent has the right to a hearing pursuant to IC 1971, 4-22-1 [Repealed by P.L.18-1986, SECTION 2. See IC 4-21.5.]. This is the Administrative Adjudication Act which provides a right to a hearing in compliance with "due process of law" and ultimately to judicial review if this becomes necessary to resolve the issue.

(A) If an agent has his permit refused, revoked, or suspended he may request a hearing. This request must be filed no later than thirty (30) days after notice by the Commission that action will be taken.

(B) This request for hearing will be receipted and a prompt hearing will be held, allowing for a notification of time and place. This notice of hearing will be sent to the agent and his attorney, if one is designated, and members of the Commission by certified mail.

(C) The Commission will make written findings of fact, decision and order within fifteen (15) days of hearing. These findings will be sent to the agent, his attorney, and members of the Commission.

(Indiana Commission on Proprietary Education; PT VII,7.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 188; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-7-3 Institution requesting informal hearing

Authority: IC 20-1-19-4

Affected: IC 20-1-19-13

Sec. 3. INFORMAL HEARING: INSTITUTION. In the event that a problem arises in which case the action might result in a revocation, or suspension of the institution's right to do business in the state, the institution may request an informal hearing before the Commissioner to present facts relative to why a formal action should not be taken. *(Indiana Commission on Proprietary Education; PT VII,7.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 188; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-7-4 Agent requesting informal hearing

Authority: IC 20-1-19-4

Affected: IC 20-1-19-13

Sec. 4. INFORMAL HEARING: AGENT. In the event that complaints have been received that could cause a revocation or suspension of an agent's right to solicit students, he may request an informal hearing before the Commissioner to present facts relative to why a formal action should not be taken. *(Indiana Commission on Proprietary Education; PT VII,7.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-7-5 Appearance of institution officers or agents at informal hearing

Authority: IC 20-1-19-4

Affected: IC 20-1-19-20.5

Sec. 5. COMMISSION DETERMINATION: INFORMAL HEARING. In the event that complaints have been received which could cause a denial of accreditation or revocation or suspension of accreditation, and the institution's right to do business in the state, the Commission may direct that the postsecondary proprietary educational institution officers or its agents appear for an informal hearing to show cause why a formal action should not be taken by the Commission. Further, such a request may be directed by the Commissioner as a result of an investigation with supporting information to prove probable cause. *(Indiana Commission on Proprietary Education; PT VII,7.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-7-6 Student's right of redress; notice

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 6. STUDENT REDRESS - GENERAL. If a student has any concern about his program, individual course, payment or such related matters, he shall be notified, upon enrollment, of the designated staff member with whom he may discuss such concerns. A copy of the form which has made him aware of this procedure, must be signed by the student and become a permanent part of his student file. (*Indiana Commission on Proprietary Education; PT VII,7.06; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-7-7 Enrollment discrimination

Authority: IC 20-1-19-4
Affected: IC 20-1-19-13; IC 20-1-19-14

Sec. 7. CIVIL RIGHTS. If any institution denies enrollment to any pupil, or makes any distinction or classification of pupils on the basis of race, color, creed, or sex, then the accreditation shall be suspended.

(A) The institution shall be notified of its immediate suspension of its accreditation for alleged civil rights discrimination by certified mail and a hearing shall be immediately called to determine whether the accreditation should be formally revoked. This hearing shall be established pursuant to Section 7.01 [570 IAC 1-7-1] of these Rules and Regulations.

(B) The Indiana Civil Rights Commission shall be notified by official letter, of the violation of P.L.313 [IC 20-1-19] (Acts of 1971) as amended, and all facts relative to the case and the findings of the Commission shall be furnished to the Indiana Civil Rights Commission.

(C) A member of the staff of the Indiana Civil Rights Commission shall be present at any such formal hearing held as a result of alleged violation of Rule 7.05 [570 IAC 1-7-5] of the Rules and Regulations of the Commission.

(*Indiana Commission on Proprietary Education; PT VII,7.07; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 8. Student Solicitation; Payment; Refunds

570 IAC 1-8-1 Prohibited solicitation practices

Authority: IC 20-1-19-4
Affected: IC 20-1-19-15

Sec. 1. SOLICITATION PROHIBITIONS. No postsecondary proprietary educational institution may engage in solicitation of students by making claims concerning the training, instruction, course content, facilities, instructor qualifications or placement that is not truthful or based on actual services rendered. They shall not make claims as to specific salaries, salary ranges, employment or job availability to prospective students that are beyond the scope of the institution, community or job market. (*Indiana Commission on Proprietary Education; PT VIII,8.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-8-2 Prohibited fee practices

Authority: IC 20-1-19-4
Affected: IC 20-1-19-15

Sec. 2. FEE PROHIBITIONS. The postsecondary proprietary educational institution must clearly show full charges and fees to a prospective student, his parent or guardian and no claims shall be made as to scholarships, or fee reductions unless they are in fact scholarships or fee reductions clearly stated and described. The charge and fee schedule must be based upon the services rendered. (*Indiana Commission on Proprietary Education; PT VIII,8.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 189; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-8-3 Prohibited advertising practices

Authority: IC 20-1-19-4
Affected: IC 20-1-19-15

Sec. 3. ADVERTISING PROHIBITIONS. An institution must:

(A) Use only advertising or promotional literature that is truthful and that does not give any false, misleading or exaggerated impression with respect to the institution, its personnel, its courses and services, or the occupational opportunities for its graduates.

(B) Not represent directly or by implication that there is a substantial demand for persons completing any of the courses offered by the institution unless the institution has a reasonable basis for the representation documented by competent, objective and statistically valid data.

(C) Clearly indicate in its advertising and promotion that education or occupational training and not employment is being offered.

(D) Include its full name and the location of the institution in its advertising and promotion. So-called "blind" advertisements are misleading and may not be used.

(E) Use only testimonials that accurately reflect current practices of the institution or current conditions or current employment opportunities in the field. Such testimonials may be used provided prior consent is obtained and no remuneration or other consideration is made for either the consent or the use of the endorsement.

(Indiana Commission on Proprietary Education; PT VIII,8.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 190; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-8-4 Uniform refund policy (Repealed)

Sec. 4. *(Repealed by Indiana Commission on Proprietary Education; filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476)*

570 IAC 1-8-4.5 Uniform refund policy

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 4.5. If a postsecondary proprietary educational institution utilizes a refund policy of their recognized national accrediting agency or the new United States Department of Education (USDOE) Title IV refund policy enacted by the 1992 Amendments to the Higher Education Act, the postsecondary proprietary educational institution must provide written verification in the form of a final refund calculation, upon the request of the commission, that its refund policy is, indeed, more favorable to the student than that of the commission's. Postsecondary proprietary educational institutions accredited by a nationally recognized accrediting agency must uniformly apply the commission's tuition refund policy or the refund policy of their recognized accrediting agency, as previously approved by the commission to all first-time students enrolled. Postsecondary proprietary educational institutions using a refund policy other than that of the commission's must list the complete policy and its origination in the institutional catalog and the enrollment agreement. *(Indiana Commission on Proprietary Education; 570 IAC 1-8-4.5; filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-8-5 Correspondence institutions; refunds

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 5. REFUND POLICY: CORRESPONDENCE POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTION'S. The institution shall cancel a student's enrollment upon request of the student. The student's obligation at the time of cancellation will be calculated as follows:

(A) Within six (6) days following the signing of the contract, no obligation and all monies paid, if any, to be fully refunded.

(B) After six (6) days, but before beginning of training, a registration fee of 20% of the total tuition not to exceed \$100.00.

(C) After beginning of training, the registration fee, plus 10% of the total tuition until student completes 10% of the

assignment.

(D) After completing 10% of the assignments, but prior to completing 25% of the assignments, the registration fee plus 25% of the total tuition.

(E) After completing 25% of the assignments but prior to completing 50% of the assignments, the registration fee plus 50% of the total tuition.

(F) After completing 50% of assignments, but prior to completing 75% of the assignments, the registration fee plus 75% of total tuition.

(G) After completing 75% of assignments, the student is responsible for total tuition.

(H) The contract shall state a length of time for a student to complete his course of study. If a student does not cancel by the end of such time, he is responsible for his total tuition.

(I) The institution will make a proper refund, within thirty-one (31) days of the student's request for cancellation.

(J) If the student has paid tuition extending beyond twelve (12) months all such charges shall be refunded as described in Rule 8.04 through 8.06 [570 IAC 1-8-4 and 570 IAC 1-8-6 were repealed filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476.] of these Rules and Regulations.

(Indiana Commission on Proprietary Education; PT VIII,8.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 191; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-8-6 Resident institutions; refunds (Repealed)

Sec. 6. (Repealed by Indiana Commission on Proprietary Education; filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476)

570 IAC 1-8-6.5 Resident institutions; refunds

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 6.5. (a) The postsecondary proprietary educational institution shall pay a refund to the student in the amount calculated under the refund policy specified in this section or as otherwise approved by the commission. The institution must make the proper refund no later than thirty-one (31) days of the student's request for cancellation or withdrawal.

(b) The following refund policy applies to each resident postsecondary proprietary educational institution, except as noted in section 4.5 of this rule:

(1) A student is entitled to a full refund if one (1) or more of the following criteria are met:

(A) The student cancels the enrollment agreement or enrollment application within six (6) business days after signing.

(B) The student does not meet the postsecondary proprietary educational institution's minimum admission requirements.

(C) The student's enrollment was procured as a result of a misrepresentation in the written materials utilized by the postsecondary proprietary educational institution.

(D) If the student has not visited the postsecondary educational institution prior to enrollment, and, upon touring the institution or attending the regularly scheduled orientation/classes, the student withdrew from the program within three (3) days.

(2) A student withdrawing from an instructional program, after starting the instructional program at a postsecondary proprietary institution and attending one (1) week or less, is entitled to a refund of ninety percent (90%) of the cost of the financial obligation, less an application/enrollment fee of ten percent (10%) of the total tuition, not to exceed one hundred dollars (\$100).

(3) A student withdrawing from an instructional program, after attending more than one (1) week but equal to or less than twenty-five percent (25%) of the duration of the instructional program, is entitled to a refund of seventy-five percent (75%) of the cost of the financial obligation, less an application/enrollment fee of ten percent (10%) of the total tuition, not to exceed one hundred dollars (\$100).

(4) A student withdrawing from an instructional program, after attending more than twenty-five percent (25%) but equal to or less than fifty percent (50%) of the duration of the instructional program, is entitled to a refund of fifty percent (50%) of the cost of the financial obligation, less an application/enrollment fee of ten percent (10%) of the total tuition, not to exceed one hundred dollars (\$100).

(5) A student withdrawing from an instructional program, after attending more than fifty percent (50%) but equal to or less than sixty percent (60%) of the duration of the instructional program, is entitled to a refund of forty percent (40%) of the cost of the financial obligation, less an application/enrollment fee of ten percent (10%) of the total tuition, not to exceed one hundred dollars (\$100).

(6) A student withdrawing from an institutional program, after attending more than sixty percent (60%) of the duration of the instructional program, is not entitled to a refund.

(Indiana Commission on Proprietary Education; 570 IAC 1-8-6.5; filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-8-7 Approved advertising code

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 7. APPROVED ADVERTISING CODE. Upon notification of the institution's award of "applicant status" an institution will also receive its approved advertising code (AC). The advertising code consists of the letters "AC" followed by a four digit number (0000). This code will be placed on every television advertisement, newspaper advertisement, and will accompany the copy sheet for use on radio, but the code need not be mentioned on the air. The code is provided the news media and is a deterrent to advertising by institutions not authorized to do business in the State of Indiana. *(Indiana Commission on Proprietary Education; PT VIII,8.07; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

Rule 9. Administration; Organizational Administration

570 IAC 1-9-1 Administrative organization

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 1. ADMINISTRATION/ORGANIZATION ADMINISTRATION. The purpose of the administrator is to see to it that the educational philosophy, objectives, and purposes of the institution are achieved. It is understood that each institution will not have the same administrative organizational pattern or line and staff arrangement. Each institution shall have an administrative organization and line and staff procedure that is best suited to the particular institution. *(Indiana Commission on Proprietary Education; PT IX,9.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-9-2 Responsibilities of administrator

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 2. ADMINISTRATION: STAFF. Each institution shall have an administrator who is directly responsible for the course content, method of instruction, selection of instructors, organization of classes, facilities, equipment, student services, and records management. *(Indiana Commission on Proprietary Education; PT IX,9.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-9-3 Assistant administrator

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 3. ASSISTANT ADMINISTRATOR. Each institution shall have a designated assistant administrator who shall assume the duties of the administrator in the absence of the administrator. *(Indiana Commission on Proprietary Education; PT IX,9.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-9-4 Qualifications for administrators

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 4. QUALIFICATIONS FOR ADMINISTRATORS. The minimum qualifications for the administrator and the designated assistant administrator shall be:

- (A) A four year degree from a recognized college or university; or
- (B) The equivalent in special training necessary to supervise and administer the institution, which may be a combination of post-high school training, teaching and administrative experience in the industry to be served.
- (C) In addition to (A) and/or (B) above, the administrator must possess a knowledge of the educational literature in the field served, of the methods and the techniques of handling industrial, commercial and occupational/vocational training.

(Indiana Commission on Proprietary Education; PT IX,9.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-9-5 Qualifications for faculty

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 5. FACULTY. All members of the teaching faculty shall possess the following minimum qualifications:

- (A) A four year degree from an approved institution in the major area they are assigned to teach; or
- (B) A two year degree from an approved institution in the major area they are assigned to teach; or
- (C) Practical experience, of not less than two years, in the major area they are assigned to teach; and
- (D) In addition, a knowledge of the educational literature in the field, of the methods and the techniques of handling.

(Indiana Commission on Proprietary Education; PT IX,9.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-9-6 Faculty records

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 6. FACULTY RECORDS. All applications to teach in the school must be accompanied by transcripts, letters and documents supporting the application. *(Indiana Commission on Proprietary Education; PT IX,9.06; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 193; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-9-7 Organizational chart

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 7. ADMINISTRATION/FACULTY DUTIES: GENERAL. Each institution shall maintain a chart showing the line and staff organization currently in use and indicating a clear delineation of duties between administrative staff, faculty and teaching staff, support personnel and casual or part time personnel. *(Indiana Commission on Proprietary Education; PT IX,9.07; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 193; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-9-8 Building standards

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 8. BUILDING STANDARDS. All institutions must meet the existing local and state requirements concerning the fire, health, and safety standards necessary to maintain safe public quarters. The institution must maintain a current certificate of inspection. Failure to meet the state and local fire, health and safety requirements will result in the denial, revocation or suspension

of the private school. (*Indiana Commission on Proprietary Education; PT IX,9.08; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 193; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-9-9 Liability insurance

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 9. LIABILITY INSURANCE. The institution shall maintain liability insurance on each student who, in the course of his instruction shall work or study with, near or in close proximity to equipment or training devices which could cause bodily harm or damage to the student. (*Indiana Commission on Proprietary Education; PT IX,9.09; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 193; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 10. Degree, Diplomas, Certificate Authority; Additional Requirements (Repealed)

(*Repealed by Indiana Commission on Proprietary Education; filed Mar 7, 1979, 3:31 pm: 2 IR 475; errata, 6 IR 1938*)

Rule 10.1. Degree, Diploma, Certificate Authority; Additional Requirements

570 IAC 1-10.1-1 Authority to grant degrees; out-of-state institutions

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 1. Authority. The Commission may extend degree authority to its accredited institutions which are in compliance with the standards for Fully Accredited Status. Institutions domiciled in Indiana desiring to grant degrees, diplomas and certificates must meet the additional requirements set forth in Part X. [570 IAC 1-10.1] Institutions whose administrative offices are domiciled out-of-state and who desire to operate in Indiana or award degrees, diplomas, and certificates must comply with the provisions of Part XIII [570 IAC 1-8] of the Rules and Regulations and meet the additional requirements of Part X [570 IAC 1-10.1]. (*Indiana Commission on Proprietary Education; PTX, 10.01; filed Mar 7, 1979, 3:31 pm: 2 IR 475; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-10.1-2 Certificate of completion

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 2. Certificate of Completion. A Certificate of Completion may be awarded by an accredited institution to a student who has successfully completed an approved course of study of a duration less than:

(A) 72 Quarter hours; or

(B) 48 Semester hours; or

(C) 720 Clock hours.

(*Indiana Commission on Proprietary Education; PTX, 10.02; filed Mar 7, 1979, 3:31 pm: 2 IR 475; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-10.1-3 Diploma

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 3. Diploma. A Diploma may be awarded by an accredited institution to a student who has successfully completed an approved course of study constituting at least:

(A) 72 Quarter hours; or

(B) 48 Semester hours; or

(C) 720 Clock hours.

(Indiana Commission on Proprietary Education; PTX, 10.03; filed Mar 7, 1979, 3:31 pm: 2 IR 475; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-10.1-4 Associate degrees

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10; IC 20-1-19-11

Sec. 4. Associate Degrees. An Associate Degree may be awarded by an accredited institution to a student who has successfully completed an approved course of study comprised of a minimum of:

- (A) 96 Quarter hours; or
- (B) 64 Semester hours; or
- (C) 960 Clock hours.

(1) Associate of Applied Science. This award is conferred upon a student who has successfully completed an approved course of study in a vocational program. The objectives of the program should emphasize the fact that the end result of the training shall be that the graduate possess those job skills required for entry level employment in the specialty. The curriculum shall provide for a minimum of 75% in the specialty. This requirement applies to the minimum of 96 quarter hours, 64 semester hours, or 960 clock hours. This degree does not require the inclusion of general studies courses, but general studies courses may be a part of the program.

Additional Standards: Staff. The additional Standards for the award of the Associate in Applied Science degree are:

- (a) One third of the teaching staff in the program shall hold a higher degree, master's degree, a first professional degree, baccalaureate degree plus five (5) years practical experience in the specialty, or an excess of ten (10) years practical experience in the specialty.
- (b) Two-thirds of the teaching staff in the program shall maintain the following minimum qualifications:
 - (1) a degree relevant to the specialty from an accredited two or four year collegiate institution; or
 - (2) five (5) years documented practical experience in the specialty; or
 - (3) a minimum of two (2) years documented practical experience in the specialty and relevant training in the specialty.

(2) Associate in Arts or Associate in Science. The Associate in Arts or the Associate in Science degree has the same requirements as those specified for the Associate degree in general. The intent of the Associate in Arts or the Associate in Science degree is that such a degree may be a terminal or a transfer award. The curriculum shall be comprised of a minimum of 50% in the specialty. At least 35% of the remaining courses shall be in the liberal arts.

This requirement applies to the minimum levels of 96 quarter, 64 semester, or 960 clock hours. Programs of longer duration shall not be required to increase the liberal arts component beyond these minimum requirements.

Additional Standards: Staff. The additional Standards for the award of the Associate in Arts or the Associate in Science degree are:

- (a) a minimum of fifty percent of the instructors in the program shall hold a master's degree, a first professional degree or a higher degree. The remainder shall hold baccalaureate degrees; or
- (b) the institution may be evaluated in comparison with similar institutions or programs in the public or private sector of postsecondary education.

(Indiana Commission on Proprietary Education; PTX, 10.04; filed Mar 7, 1979, 3:31 pm: 2 IR 475; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-10.1-5 Associate degree library/instructional resource center

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 5. Additional Standards: Library/Instructional Resource Center. The Associate Degree Library or Instructional Resource Center shall hold an adequate number of volumes of current professional material, such as textbooks, periodicals and research studies related to the Associate Degree specialty. In addition, access to other library facilities in close geographic proximity to the school is desirable. The Library/ Institutional Resource Center facilities will be evaluated as to the kind and type of institution to be appraised. The Commission shall decide competent Library/Instructional Resource Center facilities on an individual basis, since

each institution's unique role will dictate the needs of the Library/Instructional Resource Center and other resources available. (*Indiana Commission on Proprietary Education; PTX, 10.05; filed Mar 7, 1979, 3:35 pm: 2 IR 476; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-10.1-6 Advanced degrees

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 6. Advanced Degrees. Awards of Advanced Degrees, such as the baccalaureate, master's first professional or doctoral degrees, shall be treated as an "exception." Each request will be thoroughly studied and reviewed by the Commission before permission is granted to award such a degree(s). Proposed programs will be evaluated by the standards of similar programs in public or private postsecondary institutions. (*Indiana Commission on Proprietary Education; PTX, 10.06; filed Mar 7, 1979, 3:31 pm: 2 IR 476; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-10.1-7 Duration of degree award authorization

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 7. Degree Award Duration. The authorization for the degree award shall be issued for a five year period. Degree programs will be reviewed by the Commission at least every five (5) years and the renewal of degree award authority for a subsequent five (5) year period will be considered by the Commission in the fourth year of the initial degree award period. (*Indiana Commission on Proprietary Education; PTX, 10.07; filed Mar 7, 1979, 3:31 pm: 2 IR 476; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

570 IAC 1-10.1-8 Revocation or suspension of degree award authorization

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 8. Revocation/Suspension. Degree authority may be revoked or suspended by the Commission if an institution is not in continual compliance with the Rules and Regulations covering the degree award period. (*Indiana Commission on Proprietary Education; PTX, 10.08; filed Mar 7, 1979, 3:31 pm: 2 IR 476; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 11. Record Management

570 IAC 1-11-1 Administrative and teaching staff records

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 1. ADMINISTRATIVE/STAFF RECORDS. The institution shall maintain in a central repository all records necessary to the smooth operation of the institution and available only to authorized personnel. Since the institution is primarily a training institution, it is essential for adequate institution records of the student and graduate be maintained. The basic record keeping system shall reflect the following information:

(A) ADMINISTRATION. The qualifications of the administrative staff, i.e., high school, college, practical work experience etc., shall be maintained on each current member of the administrative staff. In addition a detailed job description shall be included in each record's jacket.

(B) TEACHING STAFF. The qualifications of the teaching staff, along with other pertinent data related to continuing education, i.e., seminars, workshops, additional college credits or additional industry training shall be maintained. In addition, the major teaching assignment and other duties and responsibilities of the instructor shall be included in the record's jacket.

(*Indiana Commission on Proprietary Education; PT XI, 11.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 195; readopted*)

filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-11-2 Agent/sales staff records

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 2. AGENT/SALES STAFF RECORDS. The institution shall maintain in a central repository all records necessary to the agent/sales staff utilized by the school and available only to authorized personnel. The basic record shall reflect the following:

- (A) Education/Training.
- (B) Area or region of the state, region or territory assigned to the agent/sales staff.
- (C) Manner of remuneration.
- (D) Past employment.
- (E) Complaints filed against the agent/sales staff.
- (F) Letters of recommendation.
- (G) Other data to reflect the agent/sales staff's competency.

(Indiana Commission on Proprietary Education; PT XI, 11.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 195; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-11-3 Current student records

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 3. STUDENT RECORDS/CURRENT. The institution shall maintain all individual records in a central repository and available only to authorized personnel. The records shall include, but not be limited to the following:

- (A) Education/Training.
- (B) Veteran status, if any.
- (C) Payment record.
- (D) Courses taken.
- (E) Course objective:
 - (1) Employment.
 - (2) Avocational.
 - (3) Refresher.
- (F) Testing scores.
- (G) Health or physical impairments.
- (H) Job or employment preference.
- (I) Assigned counselor.
- (J) Transcript of student records.
- (K) Redress form signed.

(Indiana Commission on Proprietary Education; PT XI, 11.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 195; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-11-4 Graduate student records

Authority: IC 20-1-19-4
Affected: IC 20-1-19-10

Sec. 4. STUDENT RECORDS: GRADUATE. The institution shall maintain graduate records in an active file for at least five (5) years after graduation. At the end of the five (5) year period, the graduate records shall be maintained in an inactive file. The graduate records shall contain all information as detailed in Section 11.03 [570 IAC 1-11-3] of the rules and regulations. In addition, the graduate records shall indicate the following:

- (A) Class rank upon graduation.

(B) Job placement given (if job placement assistance is offered by the institution).

(C) Place of employment and job salary after graduation.

(Indiana Commission on Proprietary Education; PT XI,11.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-11-5 Closed institution; retention of records

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 5. RECORDS MANAGEMENT: RETIREMENT. When an institution closes, and is domiciled within the State of Indiana, the complete student records of the school will be deposited with the Commission for placement in the State warehouse. The records will be prepared in the following manner:

(A) They shall be filed in either chronological order or alphabetical order.

(B) Each container will be clearly marked "OFFICIAL RECORDS" and will show the period of time or alphabetical order:

(1) OFFICIAL RECORDS June 30 to December 31, 19 ____.

(2) OFFICIAL RECORDS AA to BC.

(C) The containers shall be sealed to prevent loss or damage and marked in succession.

(D) The records shall contain all material as described in Rules 11.03 and 11.04 [570 IAC 1-11-3 and 570 IAC 1-11-4] of the rules and regulations of the Commission.

(Indiana Commission on Proprietary Education; PT XI,11.05; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-11-6 Records verification

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 6. RECORDS VERIFICATION. If a former student requests verification of his attendance or graduation, the Commission will prepare a copy of the requested information, affix the Commission seal and send the material to the former student or employer. The Commission will not issue degrees, certificates, or diplomas. The Commission will only verify that the documents are true and correct as shown. *(Indiana Commission on Proprietary Education; PT XI,11.06; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-11-7 Retention and retirement of records

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 7. RECORDS RETIREMENT. All records deposited with the Commission for placement in the State warehouse will be kept active for a period of ten years. At the end of ten (10) years, the records will, space permitting, be placed in the archives, or destroyed. *(Indiana Commission on Proprietary Education; PT XI,11.07; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

570 IAC 1-11-8 Receipt for records

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10

Sec. 8. RECORDS RECEIPT. The institution from which all records are received will sign two (2) copies of Form RRV01 (7/77). One copy will be retained by the school and one copy will be placed in file with the Commission. *(Indiana Commission on Proprietary Education; PT XI,11.08; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

Rule 12. General Provisions

570 IAC 1-12-1 Financial review of institution

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10; IC 20-1-19-11

Sec. 1. FINANCIAL REVIEW. The Commission shall review the financial structure each year to determine the financial stability of the institution. Since it is unlikely that each institution will have financial information in a similar format, the following information shall be provided for the Commission's review of the financial status of the institution.

(A) Indicate whether income is reported on cash or accrual basis and whether the accounting process has been changed in the last year.

(B) Indicate whether income is reported by calendar or fiscal year or some other basis.

(C) A copy of the statements of the last two business years including the following:

(1) Balance Sheet.

(2) Income Statement.

(3) Cash Flow.

(D) A copy of the last two (2) years if applicable.

(E) A copy of the institution's marketing projections including current estimates.

(Indiana Commission on Proprietary Education; PT XII, 12.01; filed Feb 6, 1978, 4:30 pm; Rules and Regs. 1979, p. 197; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-12-2 Form for review

Authority: IC 20-1-19-4

Affected: IC 20-1-19-10; IC 20-1-19-11

Sec. 2. FINANCIAL REVIEW: ANALYSIS. The Commission requests that Form FR-1 (7/77) be completed as follows:

Part I. Current Assets:

Cash in Bank

Cash on Hand

Accounts Receivable

Trade

Student

Officers, Directors and Stockholders

Notes Receivable:

Investments - Short Term

Prepaid Expenses (Itemize)

Inventories

Installments Receivable

Part II. Fixed Assets:

Equipment:

Leased

Rented

Owned

Accumulated Depreciation - Equipment

Land

Buildings and Structures

Purchase Price - when acquired

Accumulated Depreciation - Buildings

Investments - Long Term

Goodwill

- Installments Receivable
- Part III. Current Liabilities:
 - Notes Payable:
 - Bank
 - Trade Creditors
 - Other (Itemize)
 - Accounts Payable (Itemize)
 - Deferred Income - Student
 - Advance from Officers, Directors and Stockholders
- Part IV. Long Term Liabilities:
 - Bonds Payable
 - Loans Payable
 - Dividends Payable
 - Lease Obligations (Itemize)
- Part V. Equity/Capitol
 - Income:
 - Tuition
 - Sale of Book
 - Sale of Supplies
 - Miscellaneous
 - Interest Income
 - Endowments, Grants, Gifts
- Part VI. Expenses:
 - Wages and Salaries:
 - Administrative
 - Staff
 - Other
 - Commission Evaluation Expense
 - Operating Expenses (Itemize)

(Indiana Commission on Proprietary Education; PT XII,12.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 197; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-12-3 Institution part of consolidated group

- Authority: IC 20-1-19-4
- Affected: IC 20-1-19-10; IC 20-1-19-11

Sec. 3. FINANCIAL ANALYSIS: CONSOLIDATED GROUP. If the company is part of a consolidated group, then there shall be a statement from the Chief Operating Officer indicating that the parent company assets will be used, if necessary, to insure financial responsibility of the institution. Depending on the materiality of the institution's operations to the parent's total operation, the parent's annual audit and report shall be reviewed to an appropriate degree. *(Indiana Commission on Proprietary Education; PT XII,12.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 198; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

Rule 13. Site Expansion; New Extension Procedures

570 IAC 1-13-1 Extension centers; in-state institutions

- Authority: IC 20-1-19-4
- Affected: IC 20-1-19-7

Sec. 1. EXTENSION CENTER - INDIANA INSTITUTIONS. If an institution located within Indiana wishes to establish an extension center or new site for offering instruction in another county of the state it shall then do the following:

- (A) Notify the Commission by letter of the following:
 - (1) Proposed location.
 - (2) Course or courses to be offered.
 - (3) Cost of the course or courses.
 - (4) Number of proposed staff and faculty to be utilized.

(B) Submit an application fee of one hundred dollars (\$100.00).

(C) Submit necessary papers for new agents and the twenty dollars (\$20.00) per agent fee.

(Indiana Commission on Proprietary Education; PT XIII,13.01; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 198; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-13-2 Extension centers; out-of-state institutions

Authority: IC 20-1-19-4

Affected: IC 20-1-19-7

Sec. 2. EXTENSION CENTER - OUT OF STATE SCHOOLS. If an institution with an approved status with the Commission and domiciled in another state wishes to establish an extension center in Indiana for the offering of a course or course(s) of instruction it shall then do the following:

- (A) Notify the Commission by letter of the following:
 - (1) Proposed location.
 - (2) Course or courses to be offered.
 - (3) Cost of the course or courses.
 - (4) Number of proposed staff and faculty to be utilized.

(B) Submit an application fee of one hundred dollars (\$100.00)

(C) Submit necessary papers for new agents and the twenty dollars (\$20.00) per agent fee.

(D) An out of state institution which wishes to establish an extension in the State of Indiana, and has intentions to only solicit for the proposed extension, shall be placed on Applicant Status for eleven months to allow time for the completion of the onsite evaluation at the extension location.

(Indiana Commission on Proprietary Education; PT XIII,13.02; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-13-3 Requirements for extension centers

Authority: IC 20-1-19-4

Affected: IC 20-1-19-11

Sec. 3. EXTENSION CENTER - GENERAL. When an institution has submitted all forms and fees it shall be placed on an applicant status. This status shall be for a period of time not less than sixty (60) days nor more than four (4) months.

(A) Following the evaluation, and after the extension and out of state institution has met all the Commission requirements, the in-state extension will continue compliance to these Rules and Regulations, while the Applicant Status of the Main Facility located out of state will be allowed to expire, and that institution will not be required to undergo further requirements of renewal. The fifth year of Fully Accredited Status, the out of state school and extension will be subject to the entire evaluation process again.

(B) The institution shall use the Advertising Code (AC-0000) originally assigned by the Commission on all advertisements for the new extension center.

(C) The institution shall list the city and location of the new extension and the institution's name in all advertising. It shall appear in the form shown in the example below:

“Indianapolis Center of Haywood Business College”

“Marion Center of Brim College.”

(Indiana Commission on Proprietary Education; PT XIII,13.03; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

570 IAC 1-13-4 Rules applicable to extension centers

Authority: IC 20-1-19-4
Affected: IC 20-1-19-11

Sec. 4. EXTENSION CENTER - EVALUATION/RENEWAL. All rules and regulations shall apply to each extension center in the same fashion as they apply to the main campus of the institution. (*Indiana Commission on Proprietary Education; PT XIII,13.04; filed Feb 6, 1978, 4:30 pm: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

Rule 14. Career College Student Assurance Fund

570 IAC 1-14-1 Fund administration

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8.2; IC 20-1-19-18

Sec. 1. (a) The career college student assurance fund shall be administered by the commission under this rule.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) As used in this rule, "fund" means the career college student assurance fund. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-1; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-2 Claim criteria

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8

Sec. 2. The fund is established to provide compensation to a student or enrollee of a postsecondary educational institution who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of IC 20-1-19; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(*Indiana Commission on Proprietary Education; 570 IAC 1-14-2; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-3 Fund contributions

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8.3

Sec. 3. (a) The proper amount of a postsecondary educational institution's fund contribution shall be calculated in accordance with IC 20-1-19-8.3.

(b) Upon receipt of a contribution from a school to the fund, the check shall be deposited into the fund within twenty-four (24) hours of receipt.

(c) Money in the fund not currently needed will be invested by the treasurer of the state.

(d) The treasurer of the state shall invest the money in a manner similar to the investment of other public funds.

(e) Any gains made from fund investments shall also be deposited into the fund.

(f) Fund proceeds do not revert into the general state fund. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-3; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-4 Quarterly contributions

Authority: IC 20-1-19-4
Affected: IC 20-1-19-8.1; IC 20-1-19-8.3

Sec. 4. Each postsecondary proprietary institution shall make quarterly contributions to the fund in compliance with IC 20-1-19-8.3. As used in IC 20-1-19-8.3, "aggregate amount of tuition and fees" means gross income before depreciation, taxes, or amortization, less any student refunds required by this rule or by student contract. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-4; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-5 Quarterly beginnings

Authority: IC 20-1-19-4

Affected: IC 20-1-19-8.1; IC 20-1-19-8.3

Sec. 5. A new quarter will begin on each of the following dates:

- (1) January 1.
- (2) April 1.
- (3) July 1.
- (4) October 1.

(*Indiana Commission on Proprietary Education; 570 IAC 1-14-5; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-6 Claims against bond and fund; procedures

Authority: IC 20-1-19-4

Affected: IC 20-1-19-20.6

Sec. 6. When a student of a postsecondary proprietary institution is protected by both a surety bond and the fund when making a claim, the allowed claim will first be collected from the surety bond and then any balance of the claim will be collected from the fund. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-6; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-7 Claims against bond and fund; limitations; procedures

Authority: IC 20-1-19-4

Affected: IC 20-1-19-20.6

Sec. 7. (a) A claim as described in section 8 of this rule is limited to a refund of the student or enrollee's applicable tuition and fees.

(b) Upon a determination by the commission that a claimant shall be reimbursed, the commission shall prioritize the reimbursement in the following order:

- (1) Tuition, fees, and other expenses paid directly by the student.
- (2) A student or enrollee's educational loan balances, less interest.
- (3) Federal grant repayment obligations of the student.

(c) Claims against the balance in the fund may not be made until the balance in the career college assurance fund is more than twenty-five thousand dollars (\$25,000). (*Indiana Commission on Proprietary Education; 570 IAC 1-14-7; filed May 15, 2003, 10:30 a.m.: 26 IR 3339*)

570 IAC 1-14-8 Claims against an institution

Authority: IC 20-1-19-4

Affected: IC 20-1-19-8.2

Sec. 8. (a) Any student or enrollee who alleges a loss or damage due to the conditions described in section 2 of this rule may file a claim against the institution.

(b) Any claim submitted to the commission must include the following:

- (1) A statement of the facts supporting the claim or outlining the problems experienced.
- (2) A copy of the student or enrollee's enrollment agreement.
- (3) Documentation of tuition payments in the form of canceled checks, credit card receipts, money orders, or financial aid documents.

(4) Any other supporting documentation which would be beneficial to a commission investigation.

(c) Upon receipt of such documentation, commission staff will then be responsible for conducting an investigation. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-8; filed May 15, 2003, 10:30 a.m.: 26 IR 3340*)

570 IAC 1-14-9 Multiple claims against the fund

Authority: IC 20-1-19-4

Affected: IC 20-1-19-8.2

Sec. 9. If more than one (1) claim needs to be paid, amounts of the claims will be prorated as such so that some portion of each claim is paid until all amounts are paid in full. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-9; filed May 15, 2003, 10:30 a.m.: 26 IR 3340*)

570 IAC 1-14-10 Investigation, hearing, and payment of allowed claims

Authority: IC 20-1-19-4

Affected: IC 4-21.5; IC 20-1-19-8; IC 20-1-19-8.2

Sec. 10. After the filing of a claim, the commission shall conduct an investigation. Commission staff will try to resolve the complaint to the satisfaction of all parties through an informal investigation. An investigation into a student or enrollee's claim will be made by commission staff through the following process:

(1) After reviewing a student or enrollee's complaint, commission staff shall then contact the postsecondary educational institution.

(2) The postsecondary educational institution shall respond in writing to the student or enrollee's complaint and commission staff inquiry within two (2) weeks of receipt of the complaint.

(3) If, after the postsecondary educational institution has responded to the inquiry, the claim cannot be resolved satisfactorily on an informal basis, either party may request a hearing.

(4) If a hearing is requested, the student or enrollee or the postsecondary educational institution shall be given not less than twenty (20) days' notice. Each party shall be permitted to appear and defend at a formal hearing set on the claim.

(5) If it is determined by the commission, either through an informal investigation or a request for formal hearing that a claim is valid, the commission shall determine the amount of the allowed claim and notify the institution of the fact of the claim allowance. If the claim is disallowed in whole or in part, the student shall be notified of the disallowance.

(6) If, after such formal hearing and adjudication of such claim by the commission, any party to the proceedings desires to appeal therefrom, such appeal shall be prosecuted under the provisions of the Indiana Administrative Adjudication Act (IC 4-21.5).

(7) A disbursement from the fund shall be paid to a student or enrollee within thirty (30) days from the date the determination is made.

(8) In the event the claim is not paid or satisfied within a reasonable time, the claim shall be paid by disbursement from the fund.

(*Indiana Commission on Proprietary Education; 570 IAC 1-14-10; filed May 15, 2003, 10:30 a.m.: 26 IR 3340*)

570 IAC 1-14-11 Rights of commission to proceed against institution

Authority: IC 20-1-19-4

Affected: IC 20-1-19-8.1

Sec. 11. If a claim is paid out of the fund, the commission shall make all reasonable efforts to collect the amount of the paid claim from the institution against whom the claim was made. These efforts may include, where appropriate, commencing civil action on behalf of the state against the institution in the county of its principal place of business. Any amounts recovered as a result of these efforts shall be returned to the fund. (*Indiana Commission on Proprietary Education; 570 IAC 1-14-11; filed May 15, 2003, 10:30 a.m.: 26 IR 3340*)

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